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1 kind of level, yeah.

2 Q. And he's employed as the chief operating
3 officer and president, I think is his title?

4 A. Yes.

5 Q. And I think you said earlier that to
6 find those operations guys is very difficult. A
7 really good operations guy is hard to come by. Or
8 person when I say guy.

9 A. Well, a good operations guy is the one
10 that has to decide how much to put into marketing
11 engineering and development and so forth. That's
12 the big failure point from guys going from
13 functioning jobs to general manager kind of thing.
14 And once you're beyond that process then you run
15 into several other operating groups. Then there's
16 a transition to the chief operating job, which is
17 still primarily internal. So it's a development.

18 Q. But he was regarded as a great candidate
19 to be a COO?

20 A. He was regarded as a great candidate to
21 be the potential COO and even the CEO at the time.
22 So we looked at him as they say in management a

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1 long takeoff. He had been through the checkpoints.

2 Q. But even though he had this potentially
3 great future he wasn't offered any retention
4 components as COO?

5 A. Well, for frankly the same reason he
6 wasn't put on the board right away. We wanted to
7 look at him in action. Some people interview very
8 well and perform very poorly, although he had been
9 very thoroughly checked out through his past
10 associations and we had no great negatives on him.

11 Q. Okay. So there wasn't a concern that he
12 needed to be incentivized to not leave to go to
13 somebody else's place as a strong operations
14 person?

15 A. Well, the incentive was on our side in
16 the sense I believe at that time he had -- and I'm
17 not positive of the timing -- if you get fired
18 without cause you get such and such a separation
19 agreement kind of thing. So he had that kind of
20 protection. We had a protection he had to stay.
21 If he got fired he got whatever it was, the usual
22 kind of things as far as time to find another job

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1 to make, the so-called lock-on acquisitions were
2 very successful. It in general was discussed with
3 the creditor's committee before you had the
4 go-ahead. And as you know, or as far as I know,
5 they have all been very successful. And it is
6 growing with good earnings and so forth. So the
7 value is growing.

8 MR. SAKALO: Okay. That's all that I
9 have.

10 MR. WEITZEL: May I ask one question?

11 MR. SAKALO: Sure.

12 EXAMINATION BY COUNSEL FOR THE BOARD OF
13 DIRECTORS OF W.R. GRACE & CO.

14 BY MR. WEITZEL:

15 Q. There was one question that was asked
16 you about had you read the plan of reorganization.
17 I just thought the record should be clear. Did you
18 or the board review in any way the plan of
19 reorganization before it was filed?

20 A. Well, we had glorified Power Point
21 presentations. I think we spent a couple of days
22 on it one time I remember. In general we were

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1 engaged. But, you know, to read these big
2 boilerplate things we get from K&E by the pound.
3 So if your truthful you don't really -- now, if we
4 had a final plan of reorganization where we were
5 closer to agreement I would expect I would spend a
6 lot more time on it. I didn't want to do one of
7 these read-but-not-understood kind of looks. So I
8 think we did -- I believe we did the proper thing
9 and so forth.

10 MR. SAKALO: Just one follow-up on that.

11 FURTHER EXAMINATION BY COUNSEL FOR THE OFFICIAL
12 COMMITTEE OF ASBESTOS PROPERTY DAMAGES CLAIMANTS

13 BY MR. SAKALO:

14 Q. So you don't take it that this plan is a
15 final thing?

16 A. Well, I think in my opinion it's going
17 to be difficult for all the various creditors to
18 get together. You're all trying to screw each
19 other in the process. You know how it goes. So
20 it's going to be difficult. I think in my opinion
21 the company has put together some reasonable
22 proposals. But greed is a tough thing in these